

REVENUE DEPARTMENT[701]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 421.14 and 422.68, the Department of Revenue hereby gives Notice of Intended Action to amend Chapter 5, “Public Records and Fair Information Practices,” Chapter 7, “Practice and Procedure Before the Department of Revenue,” Chapter 8, “Forms and Communications,” Chapter 10, “Interest, Penalty, Exceptions to Penalty, and Jeopardy Assessments,” Chapter 42, “Adjustments to Computed Tax and Tax Credits,” Chapter 52, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Chapter 86, “Inheritance Tax,” Chapter 87, “Iowa Estate Tax,” Chapter 88, “Generation Skipping Transfer Tax,” and Chapter 89, “Fiduciary Income Tax,” Iowa Administrative Code.

These amendments are proposed as a result of 2014 Iowa Acts, House File 2435.

Items 1 through 7, 14 through 29, and 33 amend various rules and subrules to eliminate references to the Iowa estate tax and generation skipping transfer tax related to the repeal of these taxes in 2014 Iowa Acts, House File 2435, section 25, applicability for which is set forth in Items 30, 31 and 32.

Items 8 and 9 amend paragraph 42.11(3)“d” and the implementation sentence for rule 701—42.11(15,422) to update the date for which Iowa is coupled with federal changes to the credit for increasing research activities, which is the basis for the Iowa credit for increasing research activities for Iowa individual income tax.

Items 10, 11, 12 and 13 amend paragraphs 52.7(3)“d,” 52.7(5)“d,” and 52.7(6)“d” and the implementation sentence for rule 701—52.7(422) to update the date for which Iowa is coupled with federal changes to the credit for increasing research activities, which is the basis for the Iowa credit for increasing research activities for Iowa corporation income tax. This change is similar to the change in Items 8 and 9.

Items 30 and 31 amend subrule 87.1(1) and rule 701—87.6(451) to state that the Iowa estate tax only applies for deaths occurring prior to January 1, 2005.

Item 32 amends 701—Chapter 88 by adding new rule 701—88.7(421) to state that the generation skipping transfer tax only applies for deaths occurring prior to January 1, 2005.

The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions.

Any person who believes that the application of the discretionary provisions of these amendments would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department has determined that these proposed amendments may have an impact on small business. The Department has considered the factors listed in Iowa Code section 17A.4A. The Department will issue a regulatory analysis as provided in Iowa Code section 17A.4A if a written request is filed by delivery or by mailing postmarked no later than June 30, 2014, to the Policy Section, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457, Des Moines, Iowa 50306. The request may be made by the Administrative Rules Review Committee, the Administrative Rules Coordinator, at least 25 persons signing that request who each qualify as a small business or an organization representing at least 25 such persons.

Any interested person may make written suggestions or comments on these proposed amendments on or before June 17, 2014. Such written comments should be directed to the Policy Section, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457, Des

Moines, Iowa 50306. Persons who want to convey their views orally should contact the Policy Section, Policy and Communications Division, Department of Revenue, at (515)281-8450 or at the Department of Revenue offices on the fourth floor of the Hoover State Office Building.

Requests for a public hearing must be received by June 17, 2014.

After analysis and review of this rule making, no adverse impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 15.335, 422.3, 422.10, 422.32 and 422.33 as amended by 2014 Iowa Acts, House File 2435, and 2014 Iowa Acts, House File 2435, section 25.

The following amendments are proposed.

ITEM 1. Amend paragraphs **5.13(2)“n”** and **“cc”** as follows:

n. Inheritance, ~~generation skipping transfer, tax and~~ qualified use inheritance ~~and estate tax returns, related field and office audit systems, and related field collections system~~ (Iowa Code ~~section sections~~ sections 450.68 and 450B.7).

cc. ~~Inheritance tax returns, estate tax returns, and generation skipping transfer tax returns~~ (Iowa Code sections 450.68, 450A.12, 450B.7 and 451.12).

ITEM 2. Amend paragraph **5.14(6)“j”** as follows:

j. Inheritance, ~~generation skipping transfer, tax and~~ qualified use inheritance ~~and estate tax systems, related field and office audit systems, and related field collections systems~~ (Iowa Code sections 450.66, 450.67, 450.71, 450.81, 450.88, 450.94, 450.97, 450A.8, 450A.11, 450A.12, and 450B.7, 451.5, 451.11, and 451.12);

ITEM 3. Amend rule 701—7.1(421,17A) as follows:

701—7.1(421,17A) Applicability and scope of rules. These rules pertain to practice and procedure and are designed to implement the requirements of the Act and aid in the effective and efficient administration and enforcement of the tax laws of this state and other activities of the department. These rules shall govern the practice, procedure and conduct of the informal proceedings, contested case proceedings, licensing, rule making, and declaratory orders involving taxation and other areas within the department’s jurisdiction, which includes the following:

1. Sales and use tax—Iowa Code chapter 423;
2. Individual and fiduciary income tax—Iowa Code sections 422.4 to 422.31 and 422.110 to 422.112;
3. Franchise tax—Iowa Code sections 422.60 to 422.66;
4. Corporate income tax—Iowa Code sections 422.32 to 422.41 and 422.110 to 422.112;
5. Withholding tax—Iowa Code sections 422.16 and 422.17;
6. Estimated tax—Iowa Code sections 422.16, 422.17 and 422.85 to 422.92;
7. Motor fuel tax—Iowa Code chapter 452A;
8. Property tax—Iowa Code chapters 421, 425 to 428A and 433 to 441;
9. Cigarette and tobacco tax—Iowa Code chapters 421B and 453A;
10. Inheritance tax, ~~generation skipping transfer tax, and~~ qualified use inheritance tax ~~and estate tax~~—Iowa Code chapters 450, 450A, and 450B ~~and 451~~;
11. Local option taxes—Iowa Code chapter 423B;
12. Hotel and motel tax—Iowa Code chapter 423A;
13. Drug excise tax—Iowa Code chapter 453B;
14. Automobile rental excise tax—Iowa Code chapter 423C;
15. Environmental protection charge—Iowa Code chapter 424;
16. Replacement taxes—Iowa Code chapter 437A;
17. Statewide property tax—Iowa Code chapter 437A;
18. Equipment tax—Iowa Code chapter 423D;
19. Other taxes and activities as may be assigned to the department from time to time; and
20. The taxpayer’s bill of rights—Iowa Code section 421.60.

As the purpose of these rules is to facilitate business and advance justice, any rule contained herein, pursuant to statutory authority, may be suspended or waived by the department to prevent undue hardship in any particular instance or to prevent surprise or injustice.

This rule is intended to implement Iowa Code chapter 17A.

ITEM 4. Amend rule **701—7.2(421,17A)**, definition of “Taxpayer’s representative,” as follows:

“*Taxpayer’s representative*” or “*authorized taxpayer’s representative*” means an individual authorized to practice before the department under rule 701—7.6(17A); an individual who has been named as an authorized representative on a fiduciary return of income form filed under Iowa Code section 422.14, or a tax return filed under Iowa Code chapter 450, “Inheritance Tax,” ~~chapter 450A, “Generation-Skipping Transfer Tax,” or chapter 451, “Iowa Estate Tax” or chapter 450B, “Qualified Inheritance Tax”~~; or for proceedings before the department, any other individual the taxpayer designates who is named on a valid power of attorney if appearing on behalf of another.

ITEM 5. Amend subrules 7.34(5) and 7.34(10) as follows:

7.34(5) A power of attorney is not needed for individuals who have been named as an authorized representative on a fiduciary return of income filed under Iowa Code section 422.14 or a tax return filed under Iowa Code chapter ~~450, 450A or 451~~.

7.34(10) The department will not recognize as a valid power of attorney a power of attorney form attached to a tax return filed with the department except in the instance of a form attached to a fiduciary return of income form; ~~or an inheritance tax return, generation-skipping tax return, or estate tax return.~~

ITEM 6. Amend paragraphs **8.4(1)“q”** and **“r”** as follows:

q. ~~Inheritance, generation-skipping transfer, and~~ qualified use inheritance, ~~and estate tax returns~~ systems have forms designed by the department. Approved substitute forms may be used.

r. ~~Inheritance, generation-skipping transfer, and~~ qualified use inheritance ~~and estate tax field~~ and office audit systems, and related field collections systems have forms designed by the department. Approved substitute forms may be used.

ITEM 7. Amend subrule 10.1(3) as follows:

10.1(3) “*Taxes*” means all taxes and charges arising under Title X of the Iowa Code, which include but are not limited to individual income, withholding, corporate income, franchise, sales, use, hotel/motel, railroad fuel, equipment car, replacement tax, statewide property tax, motor vehicle fuel, ~~and inheritance, estate and generation-skipping transfer taxes~~ and the environmental protection charge imposed upon petroleum diminution due and payable to the state of Iowa.

ITEM 8. Amend paragraph **42.11(3)“d”** as follows:

d. For purposes of this subrule, the terms “base amount,” “basic research payment,” and “qualified research expense” mean the same as defined for the federal credit for increasing research activities under Section 41 of the Internal Revenue Code, except that, for purposes of the alternative incremental credit described in paragraph 42.11(3)“*b*” and the alternative simplified credit described in paragraph 42.11(3)“*c*,” such amounts are limited to research activities conducted within this state. For purposes of this subrule, “Internal Revenue Code” means the Internal Revenue Code in effect on January 1, 2013, ~~and as amended by the American Taxpayer Relief Act of 2012, Public Law No. 112-240 2014.~~

ITEM 9. Amend rule **701—42.11(15,422)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 15.335 and 422.10 as amended by ~~2013~~ 2014 Iowa Acts, Senate House File 406 2435.

ITEM 10. Amend paragraph **52.7(3)“d”** as follows:

d. For purposes of this subrule, the terms “base amount,” “basic research payment,” and “qualified research expense” mean the same as defined for the federal credit for increasing research activities under Section 41 of the Internal Revenue Code, except that, for purposes of the alternative incremental credit described in paragraph 52.7(3)“*b*” and the alternative simplified credit described in paragraph 52.7(3)“*c*,” such amounts are limited to research activities conducted within this state. For purposes of

this subrule, “Internal Revenue Code” means the Internal Revenue Code in effect on January 1, 2013, ~~and as amended by the American Taxpayer Relief Act of 2012, Public Law No. 112-240~~ 2014.

ITEM 11. Amend paragraph **52.7(5)“d”** as follows:

d. For purposes of this subrule, the terms “base amount,” “basic research payment,” and “qualified research expense” mean the same as defined for the federal credit for increasing research activities under Section 41 of the Internal Revenue Code, except that, for purposes of the alternative incremental credit described in paragraph 52.7(3)“*b*” and the alternative simplified credit described in paragraph 52.7(3)“*c*” of this rule, such amounts are limited to research activities conducted within the enterprise zone. For purposes of this rule, “Internal Revenue Code” means the Internal Revenue Code in effect on January 1, 2013, ~~and as amended by the American Taxpayer Relief Act of 2012, Public Law No. 112-240~~ 2014.

ITEM 12. Amend paragraph **52.7(6)“d”** as follows:

d. For purposes of this subrule, the terms “base amount,” “basic research payment,” and “qualified research expense” mean the same as defined for the federal credit for increasing research activities under Section 41 of the Internal Revenue Code, except that, for purposes of the alternative simplified credit described in paragraph 52.7(3)“*c*” of this rule, such amounts are limited to research activities conducted within the enterprise zone. For purposes of this rule, “Internal Revenue Code” means the Internal Revenue Code in effect on January 1, 2013, ~~and as amended by the American Taxpayer Relief Act of 2012, Public Law No. 112-240~~ 2014.

ITEM 13. Amend rule **701—52.7(422)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 15.335 and 422.33 as amended by ~~2013~~ 2014 Iowa Acts, ~~Senate House File 406~~ 2435.

ITEM 14. Amend subrule **86.1(1)**, definition of “Compliance division,” as follows:

“*Compliance division*” is the administrative unit of the department created by the director to administer the inheritance, ~~estate, generation skipping transfer,~~ and fiduciary income tax laws of the state.

ITEM 15. Amend paragraphs **86.3(6)“a”** and **“b”** as follows:

a. Statute of limitations and federal audits in general. In the case of a federal audit, the department, notwithstanding the normal three-year audit period specified in Iowa Code paragraphs 450.94(5)“*a*” and “*b*,” shall have an additional six-month period for examination of the inheritance tax return to determine the correct tax due and for making an assessment for additional tax that may be due.

The additional six-month period begins on the date the taxpayer performs two affirmative acts: (1) notifies the department, and the department receives such a notification, in writing, that all controversies with the Internal Revenue Service concerning the federal estate, federal gift, and federal generation skipping transfer taxes (for deaths occurring after December 31, 2004) have been concluded and (2) submits to the department a copy of the federal audit, closing statement, court decision, or any other relevant federal document concerning the concluded controversy. The additional six-month examination period does not begin until both of the acts are performed. See Iowa Code sections 622.105 and 622.106 for the mailing date as constituting the filing date and Iowa Code section 4.1(34) and *Emmetsburg Ready Mix Co. v. Norris*, 362 N.W.2d 498 (Iowa 1985) when the due date falls on a legal holiday.

b. Statute of limitations regarding federal audits involving real estate.

(1) In general. Effective for estates with decedents dying on or after July 1, 1999, in addition to the period of limitation for examination and determination, the department shall make an examination to adjust the value of real property for Iowa inheritance tax purposes to the value accepted by the Internal Revenue Service for federal estate tax purposes. The department shall have an additional six months to make an examination and adjustment for the value of the real property.

(2) Beginning of the additional six-month period. The additional six-month period for assessment and adjustment begins on the date the taxpayer performs two affirmative acts: (a) notifies the department, in writing, that all controversies with the Internal Revenue Service concerning the federal

estate, federal gift, and federal generation skipping transfer taxes (for deaths occurring after December 31, 2004) have been concluded and (b) submits to the department a copy of the federal audit, closing statement, court decision, or any other relevant federal document. Such documents must indicate the final federal determination and final audit adjustments of all real property.

(3) Adjustment required. The department must make an adjustment to the value of real property for inheritance tax purposes to the value accepted for federal estate tax purposes regardless of whether any of the following have occurred: an inheritance tax clearance has been issued; an appraisal has been obtained on the real property indicating a contrary value; there has been an acceptance of another value for real property by the department; an agreement has been entered into by the department and the personal representative for the estate and persons having an interest in the real property regarding the value of the real property.

(4) Refunds. Despite the time period for refunds set forth in Iowa Code section 450.94(3), the personal representative for the estate has six months from the day of final disposition of any real property valuation matter between the personal representative for the estate and the Internal Revenue Service to claim a refund from the department of an overpayment of tax due to the change in the valuation of real property by the Internal Revenue Service.

ITEM 16. Amend rule **701—86.3(450)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 422.25₂ and 422.30₂; ~~section 450.37₂, as amended by 1999 Iowa Acts, chapter 151, section 47; and Iowa Code sections 450.53, 450.65, 450.71, and 450.94, 450A.12 and 451.12.~~

ITEM 17. Amend paragraph **86.6(1)“f”** as follows:

f. Federal taxes. Deductible under this category are the federal estate taxes and federal taxes owing by the decedent including any penalty and interest accrued to the date of death. Prior to 1983, the federal estate tax was prorated based on the portion of federal estate tax attributable to Iowa property and that attributable to property located outside the state of Iowa. However, currently the deductibility of federal estate tax is treated like other liabilities of the estate. For estates with property located in Iowa and outside the state of Iowa, see the proration computation provided in 86.6(2). The deduction is limited to the net federal tax owing after all allowable credits, ~~such as the federal credit for state death taxes paid~~, have been subtracted. Any penalty and interest imposed or accruing on federal taxes after the decedent's death is not deductible.

ITEM 18. Amend paragraph **86.8(7)“c”** as follows:

c. Interplay of the additional inheritance tax with the Iowa estate tax for deaths occurring prior to January 1, 2005. In the event of an early disposition or cessation of the qualified use of the specially valued real estate, the federal estate tax is recomputed with a corresponding recomputation of the credit allowable under 26 U.S.C. Section 2011 for state death taxes paid. If the maximum allowable credit for state death taxes paid as recomputed is greater than the total inheritance tax obligation on all of the shares of the estate, including the shares which have not been revalued, the amount of the maximum credit for state death taxes paid is the additional tax. ~~See Iowa Code section 451.2.~~

ITEM 19. Amend subrule 86.8(9) as follows:

86.8(9) Due date for paying the additional inheritance tax. The additional inheritance ~~or Iowa estate~~ tax imposed by Iowa Code section 450B.3 ~~or 451.2~~ and the return for the additional tax is due six months after the early disposition or cessation of the qualified use of the real estate specially valued.

ITEM 20. Amend subrule 86.8(10) as follows:

86.8(10) No extension of time to file or pay. Iowa Code chapter 450B makes no provision for an extension of time to file the return for the additional tax and pay the additional inheritance tax ~~or Iowa estate tax~~ due. Therefore, if the return for the additional tax is not filed or the additional inheritance ~~or Iowa estate~~ tax is not paid within six months after the early disposition or cessation of the qualified use, the return or the tax is delinquent and subject to penalty under subrule 86.8(13).

ITEM 21. Amend subrule 86.8(11) as follows:

86.8(11) *Interest on additional tax.* The additional inheritance ~~or Iowa estate~~ tax imposed under Iowa Code section 450B.3 ~~or 451.2~~ accrues interest at the rate of 10 percent per annum until paid commencing the last day of the ninth month after the decedent's death. The variable prime interest rate made applicable to inheritance tax by 1981 Iowa Acts, chapter 131, sections 15 and 16, on real estate not specially valued, does not apply to interest due on the additional tax imposed by Iowa Code section 450B.3 ~~or 451.2~~. In addition, the federal rule that interest only accrues on the additional federal estate tax when an election is made under 26 U.S.C. Section 1016(c) to increase the basis for gain or loss on the real estate no longer eligible to be specially valued, has no application to Iowa special use valuation. In this respect the Iowa law does not conform to the federal statute.

ITEM 22. Amend subrule 86.8(12) as follows:

86.8(12) *Receipt for additional tax.* The receipt for the additional tax imposed by Iowa Code section 450B.3 ~~or 451.2~~, is separate and distinct from the receipt for inheritance tax required by Iowa Code section 450.64. The receipt must identify the property which was the subject of the early disposition or cessation of the qualified use, the owners of the property, the qualified heir, the amount paid and whether the additional tax paid is for a partial or full disposition or cessation of the qualified use.

ITEM 23. Amend subrule 86.8(13) as follows:

86.8(13) *Penalty for failure to file or failure to pay.* Department rules 701—Chapter 10, pertaining to the penalty for failure to timely file the return or to pay the inheritance tax imposed by Iowa Code chapter 450, also apply where there is a failure to timely file the return reporting the additional inheritance ~~or Iowa estate~~ tax or to pay the additional tax due imposed by Iowa Code section 450B.3 ~~or 451.2~~.

ITEM 24. Amend paragraph **86.8(14)“b”** as follows:

b. Liability for payment of the tax. The qualified heir or the heir's successor is personally liable for all the additional inheritance ~~or Iowa estate~~ tax imposed under Iowa Code section 450B.3 ~~or 451.2~~. It is the qualified heir's duty to collect the additional Iowa inheritance ~~or Iowa estate~~ tax from each person whose share was revalued. In respect to the additional tax, the duty of the qualified heir is the same as the duty of the fiduciary of an estate or trust under Iowa Code section 450.5, for the regular inheritance ~~or Iowa estate~~ tax. See subrule 86.2(1) regarding the responsibility of the fiduciary of an estate or trust. While the qualified heir is primarily liable for the payment of all of the additional tax, each person who has an interest in the real estate no longer eligible to be specially valued is also liable under the agreement provided for in 86.8(5)“e” for additional tax on that person's revalued share. Therefore, if the qualified heir fails to pay ~~the additional Iowa estate tax or~~ the additional tax imposed on any revalued share, the department may proceed to collect the delinquent tax from the person who received the share. The liability for the additional tax due from each person who had an interest in the revalued real estate is the same as the liability for the inheritance tax on property not specially valued. See *Eddy v. Short*, 190 Iowa 1376, 1380, 1832, 179 N.W. 818 (1920); *In re Estate of Stone*, 132 Iowa 136, 109 N.W. 455 (1906).

ITEM 25. Amend subrule 86.8(15) as follows:

86.8(15) *Special lien for additional inheritance tax.*

a. In general. The special lien created by Iowa Code section 450B.6 is separate and distinct from the lien provided for in Iowa Code section 450.7, for the inheritance tax imposed at the time of the decedent's death. The special lien is to secure any additional inheritance ~~or Iowa estate~~ tax that may be due within the ten-year period after the decedent's death, should there be an early disposition or cessation of the qualified use. The inheritance tax lien provided for in Iowa Code section 450.7 is only to secure the tax imposed at the time of the decedent's death on the transfer of property including property that is specially valued. If an additional tax is imposed for the early disposition or cessation of the qualified use, it is secured by the lien created by Iowa Code section 450B.6.

b. Form of the notice of the special lien. The notice of the special lien for additional inheritance ~~or Iowa estate~~ tax created by Iowa Code section 450B.6 must conform as nearly as possible to the special use valuation lien provided for in 26 U.S.C. Section 6324B.

c. *Notice of lien.* Unlike the lien provided for in Iowa Code section 450.7, notice of the special lien for additional inheritance ~~or Iowa estate~~ tax must be recorded before it has priority over subsequent mortgagees, purchasers or judgment creditors. The special lien is perfected by recording the notice of the special lien in the recorder's office in the county where the estate is being probated (even though the real estate may be located in a different county). Failure to perfect the special lien by recording as provided for in Iowa Code section 450B.6 divests the qualified real property from the lien in the event of a sale to a bona fide purchaser for value.

d. *Duration of the special lien.* The special lien continues:

(1) Until the additional inheritance ~~or Iowa estate~~ tax is paid, or ten years after the date the additional tax is due, whichever first occurs, if there is an early disposition or cessation of the qualified use, or

(2) For ten years after the decedent's death on all other property which has been specially valued.

e. *Release of the lien.* The special lien for additional inheritance tax:

(1) May be released at any time in whole or in part upon adequate security being given to secure the additional tax that may be due, if any.

(2) Is released by payment of the additional inheritance ~~or Iowa estate~~ tax imposed by Iowa Code section 450B.3 ~~or 451.2~~, on the property which was the subject of an early disposition or cessation of the qualified use.

(3) Is released when it becomes unenforceable by reason of lapse of time.

f. *Application to release the lien.* Ten years after the decedent's death, unless there is an additional tax remaining unpaid, the qualified heir may submit to the department an application in writing for release of the lien on the real estate specially valued. The application must contain information necessary to enable the department to determine whether or not the special use valuation lien should be released. Supporting documentation may include a copy of the federal release. If, after audit of the application, it is determined the real estate remained eligible for special valuation, the department will release the lien.

ITEM 26. Amend subrule 86.8(17) as follows:

86.8(17) Audits, assessments and refunds. Subrules 86.3(1) to 86.3(3) providing for the audit, assessment and refund of the inheritance tax imposed by Iowa Code sections 450.2 and 450.3, shall also be the rules for the audit, assessment and refund of the additional inheritance ~~or Iowa estate~~ tax imposed by Iowa Code section 450B.3 ~~or 451.2~~.

ITEM 27. Amend subrule 86.8(18) as follows:

86.8(18) Appeals. Rule 86.4(450) providing for an appeal to the director and a subsequent appeal to district court under the Iowa administrative procedure Act for disputes involving the inheritance tax imposed by Iowa Code chapter 450 shall also be the rule for appeal for disputes concerning special use valuation and the additional inheritance ~~or Iowa estate~~ tax imposed by Iowa Code ~~chapters~~ chapter 450B and 451.

ITEM 28. Amend rule ~~701—86.8(450B)~~, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 450B.1 to 450B.7 ~~and 451.2~~.

ITEM 29. Amend rule 701—86.15(450) as follows:

701—86.15(450) Applicability. Any references made within Chapter 86 of these rules ~~to Iowa Code chapter 451, Iowa Estate Tax; and to Chapter 87 of these rules, "Iowa Estate Tax;,"~~ are applicable only for deaths that occurred prior to ~~July 1, 2008~~ January 1, 2005.

This rule is intended to implement ~~2008~~ 2014 Iowa Acts, ~~Senate~~ House File ~~2350~~ 2435, section 37 25.

ITEM 30. Amend subrule 87.1(1) as follows:

87.1(1) Applicability. This chapter is applicable only for dates of death occurring prior to ~~July 1, 2008~~ January 1, 2005.

ITEM 31. Amend rule 701—87.6(451) as follows:

701—87.6(451) Applicable rules. Unless otherwise provided in this chapter, the rules found in 701—Chapter 86 apply to the administration of estate tax including, but not limited to, rules regarding statutes of limitations provided, however, that the estate tax is applicable only to deaths occurring prior to ~~July 1, 2008~~ January 1, 2005.

This rule is intended to implement Iowa Code chapter 17A, and section 450.94, and ~~2008~~ 2014 Iowa Acts, ~~Senate~~ House File ~~2350~~ 2435, section ~~37~~ 25.

ITEM 32. Adopt the following new rule 701—88.7(421):

701—88.7(421) Applicability. This chapter is applicable only for dates of death occurring prior to January 1, 2005.

This rule is intended to implement 2014 Iowa Acts, House File 2435, section 25.

ITEM 33. Amend subrule **89.1(1)**, definition of “Compliance division,” as follows:

“*Compliance division*” is the organizational unit of the department created by the director to administer the inheritance, ~~estate, generation-skipping transfer,~~ and fiduciary income tax laws.